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ENHANCING EXPORTS OF UNITED STATES AGRICULTURAL COMMODITIES

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Mr. DE LA GARZA, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H.R. 5242]

The Committee on Agriculture, to whom was referred the bill (H.R. 5242) to enhance exports of United States agricultural commodities, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Agricultural Export Act of 1986".

EXPORT ENHANCEMENT PROGRAM—PARTICIPATION

SEC. 2. Effective for the period ending September 30, 1988, paragraph (2) of section 1127(b) of the Food Security Act of 1985 (7 U.S.C. 1736v(b)) is amended to read as follows:

"(2) to the extent that agricultural commodities and products thereof are to be provided to foreign purchasers during any fiscal year, shall—

"(A) permit participation in the program by foreign purchasers who (i) traditionally have purchased United States agricultural commodities and the products thereof, (ii) maintain trade relations with the United States, and (iii) after July 30, 1986, comply with minimum purchase requirements under long-term grain agreements; and

"(B) give priority to interested foreign purchasers who (i) traditionally have purchased United States agricultural commodities and the products thereof and continue their historic levels of imports of United States agricultural commodities and the products thereof, or (ii) begin to purchase such commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;".

EXPORT ENHANCEMENT PROGRAM—REQUIREMENTS

SEC. 3. Section 1127(i) of the Food Security Act of 1985 (7 U.S.C. 1736v(i)) is amended by—

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(1) designating the first sentence thereof as paragraph (1);
(2) striking out the second sentence thereof; and
(3) adding at the end thereof the following:
"(2) To the maximum extent practicable, the Secretary shall (A) use such commodities and products to carry out this section in equal amounts during each of the years in the period specified in paragraph (1), and (B) use an amount of commodities and products with a cumulative value of not less than $667,000,000 to carry out this section during the period ending September 30, 1987.".

REPORT AND RECOMMENDATIONS REGARDING PARTICIPATION IN THE EXPORT ENHANCEMENT PROGRAM

SEC. 114. The Secretary of Agriculture shall submit a report to Congress, by March 31, 1987, that lists countries that are major traditional purchasers of United States agricultural commodities and the products thereof but have not participated in the program under section 1127, and that includes such information that the Secretary may have, and the Secretary's views, with respect to each country on the list, as to the reasons why such country did not participate in the program.

EXPORT ENHANCEMENT PROGRAM—RESALE, TRANSSHIPMENT, AND USE OF COMMODITIES

SEC. 5. Section 1127(b)(4) of the Food Security Act of 1985 (7 U.S.C. 1736v(b)(4)) is amended by inserting "except as approved by the Secretary" before the semicolon.

BRIEF EXPLANATION

H.R. 5242, as reported, will—

(1) provide that under the export enhancement program (EEP) authorized by the Food Security Act of 1985, effective for the period ending September 30, 1988, the Secretary of Agriculture must (A) permit participation by all traditional foreign purchasers of United States agricultural commodities who, after July 30, 1986, comply with minimum purchase requirements under long-term grain agreements, and maintain trade relations with the United States, and (B) give priority to interested foreign purchasers who traditionally have purchased U.S. agricultural commodities and products and continue to purchase at historic levels, or who begin to purchase in quantities greater than the level of purchases in a previous representative period;

(2) to the maximum extent practicable, require the Secretary to use an amount of United States agricultural commodities and products with a cumulative value of not less than $667,000,000 to carry out the export enhancement program during fiscal years 1986 and 1987;

(3) require the Secretary to report to Congress, by March 31, 1987, with a list of the countries that are major traditional purchasers of United States agricultural commodities that have not participated in the program, and information about why each listed country did not participate in the program; and

(4) allow the Secretary, on a case-by-case basis, to approve the resale or transshipment to other countries, or use for other than domestic use in the importing country, of agricultural commodities exported under the program.

PURPOSE AND NEED

The purpose of H.R. 5242 is to enhance the competitive position of United States agricultural exports in world markets, especially in markets that have been lost due to the use of subsidies and

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other unfair trading practices of other countries. The bill will also ensure that the export promotion activities of the United States are implemented in a nondiscriminatory manner to all traditional purchasers of United States agricultural commodities.

On May 15, 1985, the U.S. Department of Agriculture announced an export enhancement program (EEP) under which $2 billion in surplus Commodity Credit Corporation stocks would be available to foster commercial agricultural export sales. According to guidelines established by the Administration's interagency Economic Policy Council, each initiative under the program is to meet the following criteria: (1) additionality (sales are to increase United States agricultural exports above those that would have occurred in the absence of the program), (2) targeting (sales are to be targeted at market opportunities to displace competitors who are subsidizing their exports), (3) cost effectiveness (sales are to result in a net plus to the economy), and (4) budget neutrality (sales are not to increase budget outlays above those that would have accrued in the absence of the program).

The Food Security Act of 1985 provides specific authority for the export enhancement program and provides detailed program specifications. It also requires that no less than $1 billion worth of commodities be used under the program through September 30, 1988. In addition, in enacting the 1985 Act, Congress made clear its intention that the program be used in a broad fashion to ensure that United States agricultural exports were made available to traditional customers at competitive prices.

Despite the mandate from Congress, and contrary to its own stated criteria for implementing the program, the Administration refused to make the program generally available to all traditional U.S. grain purchasers and has failed to ensure that the program is used to reclaim for the United States its historic share of all markets lost to subsidized foreign competition.

A case in point is the failure of the Administration to make the program available to the Soviet Union. The decision to exclude the Soviets was made even though the Soviet Union is a traditional purchaser of United States grain, and despite the fact that U.S. wheat exports to the Soviet Union have been displaced by wheat exports from the European Community that are subsidized by as much as $90 per ton, according to the General Accounting Office. The chart below (prepared by Committee staff based on generally accepted figures) illustrates how the European Community has overtaken the Soviet market to the detriment of United States producers.

WHEAT IMPORTS BY THE SOVIET UNION

[Percent of market share held by EEC and U.S.]

Marketing year	EEC percent	U.S. percent
1976–77	0	62.9
1977–78	0	51.6
1978–79	0.1	59.1
1979–80	5.9	33.5
1980–81	4.8	20.1
1981–82	8.8	35.0

WHEAT IMPORTS BY THE SOVIET UNION—Continued

[Percent of market share held by EEC and U.S.]

Marketing year	EEC percent	U.S. percent
1982–83	16.9	15.1
1983–84	21.6	22.1
1984–85	22.8	21.7
1985–86	37.2	1.3

The targeted manner in which the Administration has implemented the program has, by discriminating against traditional U.S. customers and discouraging their purchases, slowed the effort to bring about a recovery in U.S. export sales. For the current year, U.S. agricultural exports are projected to total $27 billion, down from $31 billion last year and 38 percent below the record level of $43.7 billion established in 1981.

The bill would amend section 1127 of the Food Security Act of 1985 to require that participation in the export enhancement program be extended to those countries who traditionally purchase agricultural commodities from the United States, who maintain trade relations with the United States, and who, in the future, comply with the terms of any long-term grain agreement with the United States.

In extending participation in the program to any purchasing country with which the United States has a long-term grain agreement, it is expected that bonus commodities will be offered to such a country on sales involving purchases that may be required of the country under minimum purchase provisions of the agreement. Because commodities provided under the program may be included in such purchases, implementation of the provision will necessarily require consultations between the United States and the purchasing country so that the Secretary of Agriculture and other appropriate United States officials can be satisfied that the rate and level of purchases by the purchasing country in the course of each year are likely to ensure compliance with the terms of any agreement with the country.

The Committee recognizes that in certain circumstances commodities that are eligible for inclusion under the export enhancement program may not benefit from being used under the program. For example, the European Community purchases nearly one-half of United States soybean exports. United States soybean exports to Europe have increased 18 percent so far this year even though soybeans themselves have not been offered under any export enhancement initiative and soybean products have been made available under only one program-assisted sale. Inclusion of soybeans or soybean products in certain cases may invite the European Community to introduce countervailing duties or other restrictions that it has occasionally proposed, actions that would likely have an adverse effect on United States soybean producers.

The Secretary of Agriculture has sufficient discretionary authority under section 1127 of the Food Security Act of 1985, even with the proposed amendment to that section embodied in H.R. 5242, to exclude soyeans from certain export enhancement initiatives if the

Secretary determines that in doing so, retaliatory actions may be avoided and soybean exports may be increased rather than decreased.

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

Section 1 provides that the bill may be cited as the "Agricultural Export Act of 1986".

SECTION 2—EXPORT ENHANCEMENT PROGRAM PARTICIPATION

Section 2 would rewrite subsection (b)(2) of section 1127 of the Food Security Act of 1985 ("the Act"), effective for the period ending September 30, 1988, to require that, to the extent that agricultural commodities and the products thereof are to be provided to foreign purchasers during any fiscal year, the Secretary of Agriculture must permit participation in the export enhancement program under section 1127 by foreign purchasers who (1) traditionally have purchased United States agricultural commodities and the products thereof; (2) maintain trade relations with the United States; and (3) after July 30, 1986, comply with minimum purchase requirements under long-term grain agreements.

Subsection (b)(2), as rewritten, also would require that, under the export enhancement program, the Secretary must give priority to interested foreign purchasers who (1) have traditionally purchased United States agricultural commodities and the products thereof and continue their historic levels of imports of United States agricultural commodities and the products thereof, or (2) begin to purchase United States agricultural commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period.

Currently, subsection (b)(2) of section 1127 requires that, in carrying out the export enhancement program, the Secretary must, to the extent that agricultural commodities and the products thereof are to be provided to foreign purchasers during any fiscal year, consider for participation all interested foreign purchasers, giving priority to those who have traditionally purchased United States agricultural commodities and the products thereof and who continue to purchase the commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period.

SECTION 3—EXPORT ENHANCEMENT PROGRAM REQUIREMENTS

Section 3 would amend subsection (i) of section 1127 of the Act to add a requirement that, to the maximum extent practicable, the Secretary must use an amount of commodities and products with a cumulative value of not less than $667,000,000 to carry out the export enhancement program in fiscal years 1986 and 1987.

Currently, subsection (i) of section 1127 provides that, during the period beginning October 1, 1985, and ending September 30, 1988, the Secretary (in carrying out the export enhancement program) must use agricultural commodities and the products thereof with a value of not less than $1,000,000,000, nor more than $1,500,000,000,

and that, to the maximum extent practicable, commodities must be used in equal amounts during each of the years during such period.

SECTION 4—REPORT AND RECOMMENDATIONS REGARDING PARTICIPATION IN THE EXPORT ENHANCEMENT PROGRAM

Section 4 would require the Secretary of Agriculture to report to Congress, by March 31, 1987, with a list of the countries that have traditionally purchased large volumes or a large percentage of its total imports of agricultural commodities and the products thereof from the United States but that have not participated in the export enhancement program. The report must include information that the Secretary may have, and the Secretary's views, with respect to why each country on the list did not participate in the program.

SECTION 5—EXPORT ENHANCEMENT PROGRAM (RESALE, TRANSSHIPMENT, AND USE OF COMMODITIES)

Section 5 would amend subsection (b)(4) of section 1127 of the Act, which currently requires the Secretary of Agriculture to take reasonable precautions to prevent the resale or transshipment, or use other than domestic use in the importing country, of the agricultural commodities or products thereof that are exported with the assistance of the export enhancement program. Section 5 would revise subsection (b)(4) to authorize the Secretary to make exceptions to the prohibitions against reseale, transshipment, or use other than domestic use.

COMMITTEE CONSIDERATION

HEARINGS

The Subcommittee on Department Operations, Research, and Foreign Agriculture met on July 29, 1986, to hold a public hearing on H.R. 5242, a bill to enhance exports of United States agricultural commodities, introduced by Mr. Daschle, for himself and Mr. Coelho.

In his opening remarks, the Chairman of the Subcommittee, Mr. Bedell, stated that the hearing constituted the third time within the past year that the Subcommittee had examined the implementation of the Export Enhancement Program (EEP), as authorized by the Food Security Act of 1985. Mr. Bedell pointed out that in October of 1985, and in April of 1986, the Subcommittee held public hearings to review the progress of the U.S. Department of Agriculture's efforts to implement the program.

Mr. Bedell explained that the implementation of the export enhancement program was not consistent with the Department's stated criteria for determining which countries should be made eligible for participation under the program. Mr. Bedell explained that the Department had announced that the program would be used to reclaim for the United States its historic share of certain international markets that have been displaced by subsidized foreign competition. Mr. Bedell noted that the Administration had excluded the Soviet Union from the program, despite the fact that the United States has lost grain sales to the Soviets because of sub-

sidized foreign competition, primarily from the European Community.

Mr. Roberts, ranking minority member of the subcommittee, expressed his support for opening the program to traditional customers of the United States, and said that failure to do so thus far had apparently encouraged the Soviet Union not to comply with the terms of its long-term grain agreement with the United States.

The Chairman of the full Committee, Mr. de la Garza, expressed his support for H.R. 5242, and pledged to promptly schedule consideration of the bill by the Committee.

Mr. Daschle, testifying in support of the bill, said that the success of the Food Security Act of 1985 depends heavily on an increase in exports, and that the Act provided the Administration with a wide array of tools to achieve that goal, including the export enhancement program. Mr. Daschle pointed to the continued slump in farm commodity exports as the primary reason that farmers are plagued by low prices and inadequate grain storage. According to Mr. Daschle, industry experts have estimated that the Department's restrictions placed on the export enhancement program will result in an annual loss of 5.8 million metric tons of wheat exports, accounting for nearly one-half of the total decline. Mr. Daschle faulted the Administration for its failure to fully use its broad powers, including the export enhancement program, to reverse this negative trend.

Mr. Winston Wilson, President of U.S. Wheat Associates, testified on the current outlook for wheat exports. Mr. Wilson stated that, although the Soviets may have reduced their purchases last year because of the relative price of United States wheat, the Soviets' failure this year to buy significant quantities of United States wheat could be attributed at least in part to the fact that they have been excluded from participation in the export enhancement program. Mr. Wilson also testified on the type and extent of the wheat export subsidies offered by countries that compete with the United States.

Mr. David Senter, National Director of the American Agriculture Movement, offered testimony that the export enhancement program was being implemented by the Administration in a manner that reflected foreign policy considerations to the detriment of agricultural exports. Mr. Senter urged the prompt passage of H.R. 5242 and called on the Department of Agriculture to maximize efforts to promote the export of agricultural commodities.

COMMITTEE MARKUP

The Committee held an open business meeting on Wednesday, July 30, 1986, pursuant to notice, to consider H.R. 5242. Chairman de la Garza called the meeting to order and recognized Mr. Bedell. Mr. Bedell asked that by unanimous consent the Subcommittee on Department Operations, Research, and Foreign Agriculture be discharged from further consideration of H.R. 5242, and that it be immediately considered by the Committee. Mr. Bedell's request was approved by the Committee without objection.

Mr. Bedell spoke in support of the bill, and explained that currently the Department of Agriculture is not allowing certain for-

eign purchasers that are good customers to get our best price under the export enhancement program. Mr. Glickman engaged in a discussion with Messrs. Daschle and Bedell, with respect to clarifying the meaning of provisions in the bill and its effect. Mr. Weaver said that the United States should stop all subsidized sales of grain to the Soviet Union. Mr. Daschle spoke in support of the bill, saying that, under the bill, our best customers, for example, the Soviet Union, the Peoples Republic of China, and Japan, would be allowed to participate in the export enhancement program. Mr. Thomas expressed his concern that not extending the program to our good customers amounts to a type of embargo on United States agricultural commodities. Mr. Smith said that the expanded program would help remove the current surplus of grain that keeps the market depressed. Mr. Whitley said that it does not make sense to deny the program to our biggest customers when they can simply buy from another country at competitive prices. Mr. Foley expressed concern that the subsidization of exports by countries rich enough to do so is detrimental to all. Mr. Evans of Iowa said that the certificate authority under the export enhancement program should be used so that the large grain companies will be sent out to find grain buyers.

Mr. Madigan expressed concern that Syria had been allowed to participate in the program in the past. Mr. Daschle said that only countries that have trade relations with the United States would be permitted to participate in the program, under the bill.

Mr. Daschle offered a substitute for the bill, for himself and Mr. Roberts. Mr. Daschle and Mr. Roberts explained that the substitute would add a desirable qualification to the program by requiring that recipients comply with requirements under any long-term grain agreements.

Mr. Evans of Iowa offered an amendment to the Daschle-Roberts substitute to allow the Secretary to approve the transshipment to other countries, or use for other than domestic use in the importing country, of agricultural commodities exported under the export enhancement program. After a discussion, the Committee agreed to the Evans of Iowa amendment without objection.

The Committee agreed to the Daschle-Roberts substitute, as amended, by voice vote. The Committee then agreed, by voice vote, that H.R. 5242, as amended, be reported to the House with the recommendation that the bill do pass. The staff was authorized to make any necessary clerical and conforming changes in the bill.

Administration Position

At the time of the filing of this report, the Committee had not received a report from the U.S. Department of Agriculture concerning H.R. 5242, as amended.

Budget Act Compliance (Section 308 and Section 403)

The provisions of clause 2(l)(3)(B) of Rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority or new or increased tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the

Director of the Congressional Budget Office under clause 2(l)(3)(C) of Rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974 were not received by the Committee prior to the filing of this report.

The Committee does not expect the bill to have a significant budget effect because it will not increase the amount of funds available for the export enhancement program above levels assumed in the First Concurrent Resolution on the Budget for Fiscal Year 1987. Nor does the bill significantly alter the year-to-year use of funds available for the export enhancement program from levels assumed in the budget resolution. The bill simply mandates that certain interested foreign purchasers must be permitted to participate in the program.

Inflationary Impact Statement

Pursuant to clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of H.R. 5242, as amended, will have no inflationary impact on the national economy.

Oversight Statement

No summary of oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by H.R. 5242, as amended.

No specific oversight activities other than the hearings detailed in this report were conducted by the Committee within the definition of clause 2(b)(1) of Rule X of the Rules of the House of Representatives.

Changes in Existing Law

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

Food Security Act of 1985

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[Note.—The amendment shown below to paragraph (2) of section 1127(b) would only be effective for the period ending September 30, 1988.]

DEVELOPMENT AND EXPANSION OF MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES

Sec. 1127. (a)(1) Notwithstanding any other provision of law, the Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall formulate and carry out a program under which agricultural commodities and the products thereof acquired by the Commodity Credit Corporation are provided to United States exporters, users, and processors and foreign purchasers at

no cost to encourage the development, maintenance, and expansion of export markets for United States agricultural commodities and the products thereof, including value-added or high-value agricultural products produced in the United States.

(2)(A) The term "agricultural commodities", as used in this section in referring to United States agricultural commodities, includes, but is not limited to—

(i) wheat, feed grains, upland cotton, rice, soybeans, and dairy products produced in the United States;

(ii) any other agricultural commodity produced in the United States that is determined by the Secretary of Agriculture to be in surplus supply and that can be purchased with funds available under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935; and

(iii) products of the commodities and products described in clauses (i) and (ii) that are processed in the United States.

(B) United States agricultural commodities, as described in clause (ii) of subparagraph (A), may not be purchased with funds available under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935, for the sole purpose of use under the program under this section; and such commodities, or products therefo, may not be furnished to a United States user, exporter, processor, or foreign purchaser under the program under this section except by mutual agreement of such user, exporter, processor, or purchaser and the Secretary.

(3) In carrying out paragraph (1), the Secretary may provide such commodities in order to make United States commodities more competitive and shall, to the extent necessary, provide such commodities and products—

(A) to counter or offset—

(i) the adverse effect on the export of a United States agricultural commodity or the product thereof of a subsidy (as defined in paragraph (4)) or other unfair trade practice of a foreign country that directly or indirectly benefits producers, processors, or exporters of agricultural commodities in such foreign country;

(ii) the adverse effects of United States agricultural price support levels that are temporarily above the export prices offered by overseas competitors in export markets; or

(iii) fluctuations in the exchange rate of the United States dollar against other major currencies; and

(B) in conjunction with an intermediate export credit program conducted by the Commodity Credit Corporation—

(i) for the export sale of breeding animals (including, but not limited to, cattle, swine, sheep, and poultry), including the cost of freight from the United States to designated points of entry in other nations; and

(ii) for the establishment of facilities in the importing nation to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities (through the use of local currency generated from the import and sale of United States agricultural commodities

or the products thereof to finance all or part of such facilities).

(4) As used in paragraph (3)(A)(i), the term "subsidy" includes an export subsidy, tax rebate on exports, financial assistance on preferential terms, financial assistance for operating losses, assumption of costs or expenses of production, processing, or distribution, a differential export tax or duty exemption, a domestic consumption quota, or other method of furnishing or ensuring the availability of raw materials at artificially low prices.

(b) In carrying out the program established by this section, the Secretary of Agriculture—

(1) shall take such action as may be necessary to ensure that the program provides equal treatment to domestic and foreign purchasers and users of United States agricultural commodities and the products thereof in any case in which the importation of a manufactured product made, in whole or in part, from a commodity or the product thereof made available for export under this section would place domestic users of the commodity or the product thereof at a competitive disadvantage;

[(2) shall, to the extent that agricultural commodities and the products thereof are to be provided to foreign purchasers during any fiscal year, consider for participation all interested foreign purchasers, giving priority to those who have traditionally purchased United States agricultural commodities and the products thereof and who continue to purchase such commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;]

(2) to the extent that agricultural commodities and products thereof are to be provided to foreign purchasers during any fiscal year, shall—

(A) permit participation in the program by foreign purchasers who (i) traditionally have purchased United States agricultural commodities and the products thereof, (ii) maintain trade relations with the United States, and (iii) after July 30, 1986, comply with minimum purchase requirements under long-term grain agreements; and

(B) give priority to interested foreign purchasers who (i) traditionally have purchased United States agricultural commodities and the products thereof and continue their historic levels of imports of United States agricultural commodities and the products thereof, or (ii) begin to purchase such commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;

(3) shall encourage increased use and avoid displacing usual marketings of United States agricultural commodities and the products thereof;

(4) shall take reasonable precautions to prevent the resale or transshipment to other countries, or use for other than domestic use in the importing country, of agricultural commodities or the products thereof the export of which is assisted under this section *except as approved by the Secretary*; and

(5) may provide to a United States exporter, user, processor, or foreign purchaser, under the program, agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

(c)(1) If a country does not meet the financial qualifications for export credit or credit guarantees provided by the Commodity Credit Corporation, the Secretary may provide to such country agricultural commodities and the products thereof acquired by the Corporation to the extent necessary to reduce the cost to such country of purchasing United States agricultural commodities and to allow such country to meet such qualifications.

(2) The Secretary shall review and adjust annually the quantity of commodities provided to a country under paragraph (1) in order to encourage such country to place greater reliance on increased use of commercial trade to meet the qualifications referred to in paragraph (1).

(d)(1) In carrying out this section, the Secretary may make green dollar export certificates available to commercial exporters of United States agricultural commodities and the products thereof.

(2) The Secretary shall make such certificates available under such terms and conditions as the Secretary determines appropriate.

(3) The amount of such certificates to be made available to an exporter may be determined—

(A) on the basis of competitive bids submitted by exporters; or

(B) by announcement of the Secretary.

(4)(A) An exporter may redeem a green dollar export certificate for commodities owned by the Commodity Credit Corporation.

(B) For purposes of redeeming such certificates, the Secretary may establish values for such commodities that are different than the acquisition prices of such commodities.

(5) Such certificates—

(A) may be transferred among commercial exporters of United States agricultural commodities; and

(B) shall be redeemed within 6 months after the date of issuance.

(e) The Secretary of Agriculture shall carry out the program established by this section through the Commodity Credit Corporation.

(f) Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

(g) The program established under this section shall be in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.

(h) The authority provided under this section shall terminate on September 30, 1990.

(i)*(1)* During the period beginning October 1, 1985, and ending September 30, 1988, the Secretary shall use agricultural commodities and the products thereof referred to in subsection (a) to carry out this section, except that the value of the commodities and prod-

ucts may not be less than $1,000,000,000, nor more than $1,500,000,000. [To the maximum extent practicable, such commodities shall be used in equal amounts during each of the years in such period.]

(2) To the maximum extent practicable, the Secretary shall (A) use such commodities and products to carry out this section in equal amounts during each of the years in the period specified in paragraph (1), and (B) use an amount of commodities and products with a cumulative value of not less than $667,000,000 to carry out this section during the period ending September 30, 1987.

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